



Carnegie – January-March 2006

26 April 2006

Net profit SEK 287 million (SEK 100 million)

- Carnegie's **net profit** for the first quarter 2006 was SEK 287 million (SEK 100 million), corresponding to **earnings per share** of SEK 4.18 (SEK 1.50), an increase of 188% from the first quarter 2005.
- **Total income** for the first quarter 2006 increased by 89% to SEK 1,239 million (SEK 656 million), Carnegie's best quarter ever. Securities' income increased by 96% to SEK 639 million. Investment Banking income was SEK 241 million, an increase of 149% from the first quarter 2005. Asset Management income was up 68% to SEK 212 million, and Private Banking income was up 37% to SEK 147 million.
- **Assets under management** amounted to SEK 101 billion, an increase of SEK 9 billion from year-end, of which net inflows were SEK 5 billion and asset values increased by SEK 4 billion.
- **Total expenses before profit-share** were SEK 428 million (SEK 374 million), an increase of 14% Y/Y.
- The **AGM** 23 March approved a dividend of SEK 9.19 per share, which was distributed to shareholders on 31 March. Kjartan Gunnarsson and Stig Vilhelmson (Carnegie's new CEO from 23 March) were both elected new Directors of the Board. Christer Zetterberg was elected new Chairman of the Board.
- Personnel changes: Jim Cirenza, Head of Carnegie's US operations, has been appointed Group Head of Securities and joins Group Management. Mark Walker has left Group management and will continue his position as Managing Director of Carnegie's UK operations.

Quotations from Stig Vilhelmson, CEO:

"In favourable market conditions, Carnegie continued to deliver excellent results across the board."

"My vision is for Carnegie to become world champions within our niches. This means continued focused hard work to identify and improve all the details necessary to be our clients' first choice."



Auditors' examination

This interim report has not been reviewed by the company's auditors.

Teleconference

Carnegie's CEO Stig Vilhelmson and Mats-Olof Ljungkvist (CFO) will present the first quarter results at a teleconference held 26 April at 4.00 PM (CET). It will be open to the public. In order to participate, please call +44 20 7154 26 38. The conference call will also be accessible as an audio live web cast (including slide presentation) at www.carnegie.se/ir. For those unable to listen to the live web cast, a replay will be available at www.carnegie.se/ir approximately one hour after the event.

Contact persons

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Financial calendar 2006

Interim report January-June	13 July
Interim report January-September	18 October

Additional information is available at www.carnegie.se/ir.

Carnegie is an independent Nordic investment bank operating in Securities, Investment Banking, Asset Management and Private Banking. Carnegie provides a wide array of financial products and services to Nordic and international clients from offices in eight countries: Sweden, Denmark, Norway, Finland, Luxembourg, Switzerland, the UK and the US.



The Carnegie Group

<i>(SEK million)</i>	<i>Jan - Mar 2006</i>	<i>Jan - Mar 2005</i>	<i>Chg.</i>	<i>Jan - Dec 2005</i>
<i>Income statement</i>				
Securities	639	327	96%	1,503
Investment Banking	241	97	149%	733
Asset Management	212	126	68%	791
Private Banking	147	107	37%	486
<i>Total income</i>	<i>1,239</i>	<i>656</i>	<i>89%</i>	<i>3,514</i>
Personnel expenses	-243	-205	19%	-870
Other expenses	-186	-170	10%	-799
Net provisions for credit losses	0	0		-5
<i>Total operating expenses excluding profit-share</i>	<i>-428</i>	<i>-374</i>	<i>14%</i>	<i>-1,674</i>
<i>Operating profit before profit-share</i>	<i>811</i>	<i>282</i>	<i>188%</i>	<i>1,840</i>
Allocation to profit-share system	-400	-137	191%	-909
<i>Total expenses</i>	<i>-828</i>	<i>-512</i>	<i>62%</i>	<i>-2,583</i>
<i>Profit before taxes</i>	<i>411</i>	<i>145</i>	<i>184%</i>	<i>931</i>
Taxes	-123	-45	175%	-264
<i>Net profit</i>	<i>287</i>	<i>100</i>	<i>188%</i>	<i>667</i>
Earnings per share (SEK)	4.18	1.50		9.98
Earnings per share, fully diluted (SEK)	4.10	1.49		9.68

Market environment

Market conditions continued to be very favourable in the first quarter, the Nordic index rose by 12 per cent from year-end, outperforming the global markets, and has now increased by over 40 per cent during the last 12 months-period. Aggregate turnover on the Nordic stock exchanges was very strong in the first quarter and showed an increase of 67 per cent from the same period a year ago. The local markets showed different patterns: the Norwegian and Danish markets saw increases of over 90 per cent, and in Sweden, the largest market, turnover increased by 50 per cent Y/Y.

Favourable market conditions also had a positive effect on the equity issue activity. A total of 8 initial public offerings were launched in the Nordic markets during the first quarter 2006. The volume of announced M&A-transactions in the Nordic region amounted to USD 8 billion, significantly lower than the USD 25 billion recorded in the first quarter 2005. In Sweden, equity funds reported a strong net inflow in the first quarter 2006 of SEK 31 billion (SEK 14 billion).

Market position

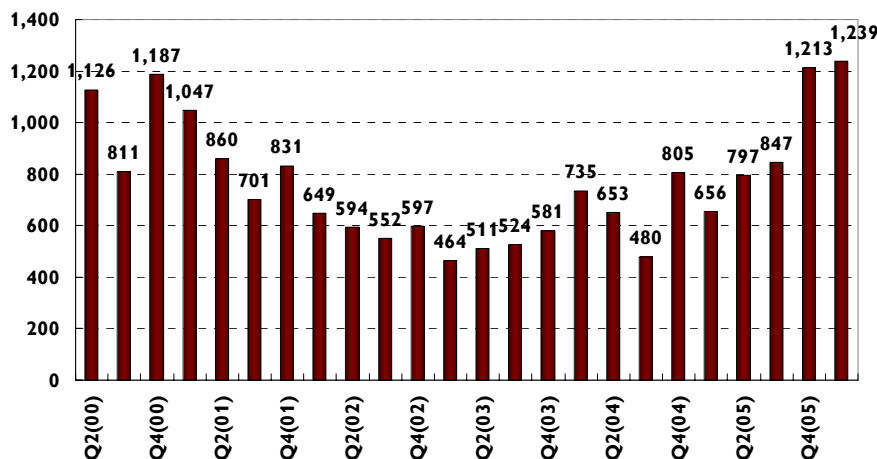
Based on client reviews and external rankings, Carnegie's overall market position was retained or improved during the period. Carnegie's share of the aggregate turnover on the Nordic Stock Exchanges was 7.4 per cent in the first quarter 2006, ranking Carnegie **Securities** as the second largest market participant in the Nordic region. In **Investment Banking**, Carnegie's top position in both M&A and Equity Capital Markets (ECM) segment was further cemented. Carnegie was also ranked as number one in M&A-transactions. In **Asset Management** Carnegie funds representing about 95 per cent of the assets under management in rated equity funds presently hold 4- or 5-star rankings. In **Private Banking**, Carnegie's efforts in the Swedish and Danish markets have started to generate good inflows.

Income



Total income in the first quarter 2006 was SEK 1,239 million (SEK 656 million), an increase of 89 per cent Y/Y and Carnegie's best quarter ever. **Securities** income increased by 96 per cent to SEK 639 million, mainly reflecting the sharp turnover increase on the Nordic equity markets of 67 per cent. In **Investment Banking**, total income of SEK 241 million was mainly generated from ECM-activities, an increase of 149 per cent from the first quarter 2005. **Asset Management** income increased by 68 per cent to SEK 212 million from the first quarter 2005, reflecting the underlying increase in AUM of 53 per cent. **Private Banking** income was SEK 147 million, an increase of 37 per cent from last year.

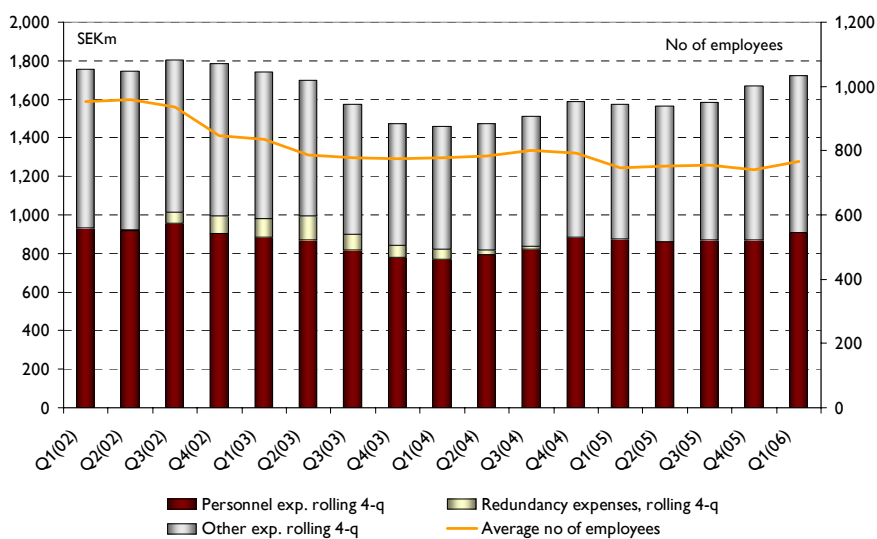
Quarterly income (SEK million)



Total expenses and estimated cost base for 2006

Total expenses before profit-share in the first quarter 2006 were SEK 428 million (SEK 374 million), up 14 per cent Y/Y. The increase reflects a general increase in personnel expenses and also includes the consolidation of Capital C, contributing around SEK 40 million on an annual basis to total income and total costs. Based on current market conditions, the estimated total expenses before profit-share in 2006 remain unchanged in the range of SEK 1,700 to 1,800 million.

Total expenses, rolling 4-quarter (SEK million)

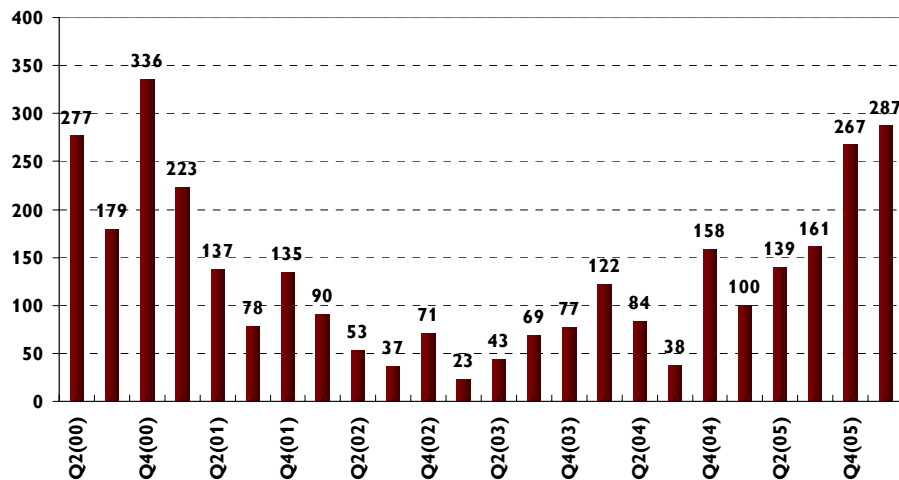




Allocation to profit-share in the first quarter 2006 was SEK 400 million (SEK 137 million), following the fixed formula for profit-share allocation: 50 per cent of the Group's operating profit before profit-share, after deduction of a STIBOR-related return on shareholders' equity.¹

The net profit for the first quarter 2006 was SEK 287 million (SEK 100 million), Carnegie's best quarter as a listed company, corresponding to a return on equity for the last 12-month-period of 55 per cent.

Net profit, quarterly (SEK million)



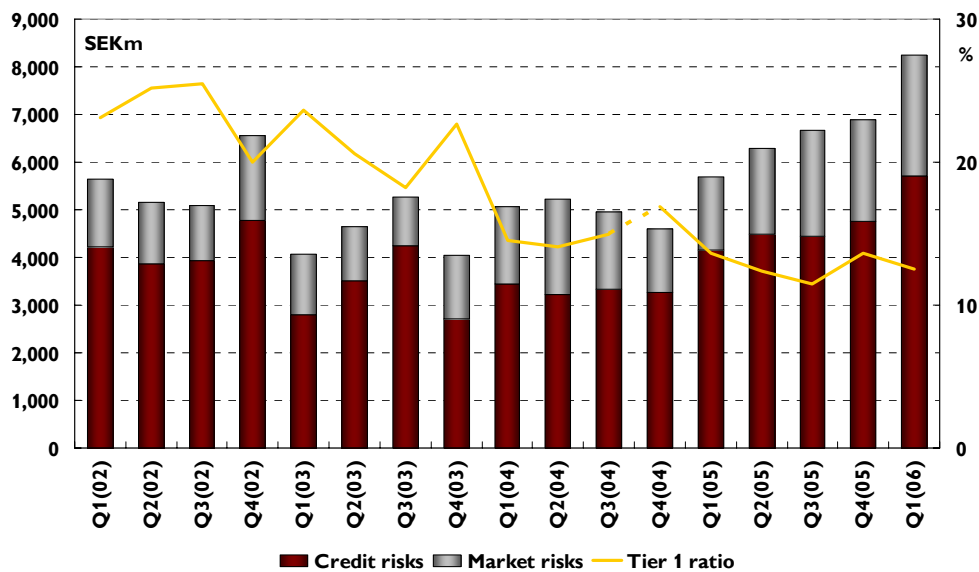
Risk-weighted assets and capital adequacy

Risk-weighted assets increased by 20 per cent during the first quarter to SEK 8.2 billion, due to credit risks increasing by 21 per cent to SEK 5.7 billion and market risks increasing by 18 per cent to SEK 2.5 billion. The increase in credit risk is related to increasing margin lending to private clients and increased lending to other banks. Total risk-weighted assets, as defined by the Swedish FSA, fluctuate over the quarters, which is illustrated in the graph below.

¹ Allocation to the profit-sharing system is accounted for in each business area on a fixed percentage basis, for the purpose of segmental analysis. Actual profit-share allocation is based on the full year results and distributed to individuals on a discretionary basis.



Risk-weighted assets and capital adequacy (SEK million, %)



The total regulatory capital base at 31 March 2006 amounted to SEK 1,515 million, including Tier 1 capital of SEK 1,030 million and Tier 2 capital of SEK 485 million. The corresponding Tier 1 ratio was 12.5 per cent, and the capital adequacy was 18.4 per cent at 31 March 2006.

Liquidity, financing and investments

Carnegie's principal need for liquidity is to support the day-to-day operations, through secured and unsecured short-term funding. The need for long-term funding is relatively low. The majority of Carnegie's assets are marketable securities inventories (marked-to-market daily), margin lending and short-time deposits. As a consequence of this, Carnegie's working capital fluctuates significantly between the financial statement dates. In the first quarter 2006, the change in working capital was SEK 4,619 million (SEK 2,351 million). A more relevant measure of the liquidity is the cash flow from operations before changes in working capital, which was SEK 304 million in the first quarter 2006 (SEK 111 million). Capital expenditures in the first quarter 2006 were SEK 7 million (SEK 10 million). See page 22 for further information.



KEY DATA	Jan - Mar 2006	Jan - Mar 2005	Jan - Dec 2005
Earnings per share (SEK)	4.18	1.50	9.98
Earnings per share, fully diluted (SEK)	4.10	1.49	9.68
Dividend per share	-	-	9.19
Book value per share (SEK)	21.3	15.6	25.4
Share price (SEK)	164.0	80.5	117.0
Price/earnings multiple	13.2	14.2	11.7
Number of shares at period-end	69,039,700	66,701,600	67,729,900
Average number of shares	68,821,400	66,701,600	66,799,944
Number of shares related to outstanding warrants	2,461,900	7,200,000	3,771,700
Total number of shares, incl effect of issued warrants	70,140,288	67,164,240	68,856,137
Cost/income ratio, %	67%	78%	74%
Profit margin, %	23%	15%	19%
Return on equity, (12 mo) %	55%	31%	49%
Total assets (SEK million)	43,333	21,769	30,859
Margin lending (SEK million)	5,662	4,686	4,428
Deposits and borrowing from general public (SEK million)	8,240	6,922	6,893
<i>Total regulatory capital base (SEK million)</i>	<i>1,515</i>	<i>776</i>	<i>1,408</i>
<i>Tier I capital</i>	<i>1,030</i>	<i>776</i>	<i>939</i>
-Shareholders' equity	1,472	1,041	1,721
-Goodwill	-8	-18	-8
-Intangible fixed assets	-17	-27	-20
-Deferred tax assets	-126	-114	-119
-Dividends			-634
-Profit after tax and foreign exchange differences	-292	-106	
<i>Tier II capital</i>			
-Subordinated loan (max. 50% of Tier I capital)	485	-	469
<i>Total risk-weighted assets (SEK million)</i>	<i>8,239</i>	<i>5,696</i>	<i>6,888</i>
Risk-weighted assets (Credit risks)	5,718	4,162	4,745
Risk-weighted assets (Market risks)	2,521	1,534	2,143
Tier I Ratio, %	12.5%	13.6%	13.6%
Capital adequacy, %	18.4%	13.6%	20.4%
Number of employees, average	766	745	747
Number of employees, period-end	768	738	741
Period-end assets under management (SEK billion)	101	65	92

Key ratios	2002	2003	2004	2005	Q1(05)	Q1(06)
Net profit (SEK million)	250	211	401	667	100	287
Earnings per share (SEK)	3.75	3.17	6.01	9.98	1.50	4.18
Earnings per share, fully diluted (SEK)	3.75	3.14	5.94	9.68	1.49	4.10
Dividend per share (SEK)	8.93	3.16	5.93	9.19	-	-
Tier 1 ratio	20.4%	22.7%	16.8%	13.6%	13.6%	12.5%
Capital adequacy	20.4%	22.7%	16.8%	20.4%	13.6%	18.4%



Definitions of key ratios

Key ratios have been restated for 2004 according to IFRS. Key ratios regarding 2002-2003 have not been restated due to the transition to IFRS. Should they have been restated, the impact would have been immaterial. Note that certain numerical information presented in millions may not add up due to rounding.

Earnings per share:	Net profit for the period divided by the average number of shares.
Earnings per share, fully diluted:	Net profit for the period divided by the average number of shares, fully diluted, including the effect of issued warrants (see page 25). The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants.
Average number of shares:	Total number of shares, including any new share issues, as a weighted average over the period.
Number of shares entitled to dividend:	Total number of shares outstanding at the record date.
Total number of shares, incl effect of issued warrants:	Total number of shares including the number of shares to be issued corresponding to the calculated net present value of issued warrants.
Share price:	Share price (closing price) at period-end.
Price/earnings multiple (last 12 months):	Share price divided by earnings per share for the last 12-month-period.
Cost/income ratio:	Total expenses, including allocation to profit-share, as a percentage of total income including principal investments.
Profit margin:	Net profit as a percentage of total income including result from principal investments.
Return on equity:	Net profit for the last 12-months-period as a percentage of average shareholders' equity.
Total regulatory capital base:	Tier 1 capital + Tier 2 capital
Tier 1 capital:	Shareholders' equity plus equity portion of untaxed reserves, minus goodwill, any proposed dividend, deferred tax assets, intangible fixed assets and any repurchased shares.
Tier 2 capital:	Subordinated indebtedness, eligible up to 50% of Tier 1 capital
Risk-weighted assets:	Book value of assets valued in accordance with the capital adequacy rules of the Swedish FSA (Finansinspektionen)
Tier 1 ratio:	Tier 1 capital as a percentage of risk-weighted assets.
Capital adequacy ratio:	Total regulatory capital base (Tier 1 + Tier 2 capital) as a percentage of risk-weighted assets.
Number of full-time equivalent employees, average:	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee for the entire period.
Number of full-time equivalent employees, at period-end:	Aggregate number of paid working hours for all employees divided by a pre-defined number of working hours per employee at period-end.

Accounting policies

This Interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and RR 31 Interim Financial reporting for Groups. In accordance with the IAS regulation adopted by the European Union (EU) in 2002, listed companies throughout the EU shall apply International Financial Reporting Standards, IFRS, when preparing their consolidated financial statements. This Interim report has been prepared in accordance with all IFRS Standards endorsed by the EU Commission and all interpretations of those standards, IFRIC. The accounting policies and calculation methods used in this report are the same as those used in the 2005 Annual Report.

The parent company in summary

Total income in the parent company D. Carnegie & Co AB in the first quarter 2006 was SEK 0 million (SEK 0 million), and the company was showing a loss before financial items of SEK 10 million (SEK 5 million). The net loss before taxes was SEK -13 million (SEK -2 million). At 31 March 2006, cash and liquid assets amounted to SEK 681 million (SEK 25 million). No capital expenditure was made during the period (SEK 0 million). Shareholders' equity adjusted for the equity part (72%) of untaxed reserves at 31 March 2006 was SEK 897 million (SEK 722 million).



Securities

<i>(SEK million)</i>	<i>Jan - Mar 2006</i>	<i>Jan - Mar 2005</i>	<i>Chg.</i>	<i>Jan - Dec 2005</i>
<i>Net commission income</i>	377	224	68%	982
<i>ECM fees</i>	118	23	416%	132
<i>Net interest income</i>	20	22	-8%	61
Proprietary trading and market making	139	82	71%	395
Net interest income from financial positions	-15	-23	-35%	-66
Other income from financial positions	0	-1		-1
<i>Net income from financial positions</i>	125	58	114%	329
<i>Total income</i>	639	327	96%	1,503
Personnel expenses	-99	-88	13%	-376
Other expenses	-82	-75	9%	-349
Net provisions for credit losses	0	0		-5
<i>Total operating expenses excluding profit-share</i>	-181	-162	11%	-730
<i>Business area operating profit before profit-share</i>	458	164	179%	773
Allocation to profit-share system	-226	-80		-382
<i>Total expenses</i>	-407	-242	68%	-1,112
<i>Business area profit before taxes</i>	232	84	176%	391
Cost/income ratio, %	64%	74%		74%
Number of employees, average	329	309		313
Number of employees, period-end	327	306		317

Market development

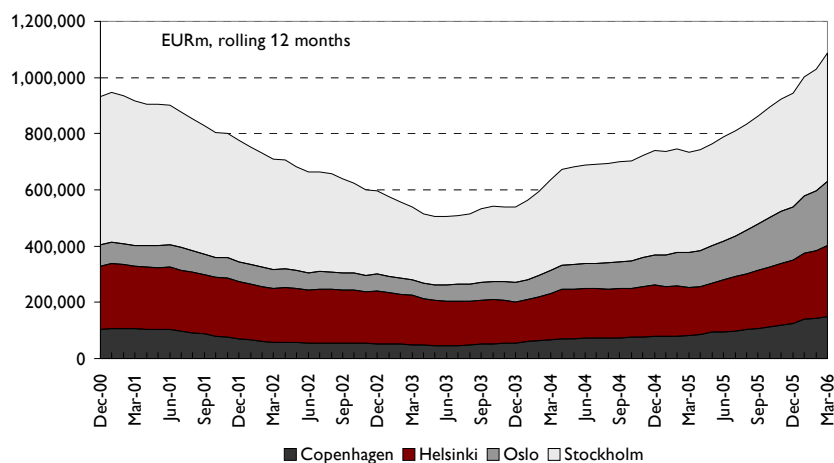
The positive trend in the Nordic equity markets from 2005 continued into the first quarter 2006, as Nordic earnings and sales growth remained robust in Q4(05) due to the strong macroeconomic environment and continued cost-control awareness. Aggregate equity turnover on the Nordic stock exchanges in the first quarter 2006 was up 30

per cent from the last quarter 2005, and showed an increase of 67 per cent from the same period in 2005. The geographical markets in the Nordic region showed different patterns in the first quarter; the Norwegian and Danish markets saw Y/Y increases of over 90 per cent, and in Sweden, the largest market, turnover increased by over 50 per cent Y/Y. The turnover velocity for the aggregate Nordic market in the first quarter 2006 increased to 135 per cent from 118 per cent the same period in 2005.

<u>Stock mkt turnover, EURm</u>	<u>Q1(06), Y/Y chg</u>
Stockholm	51%
Helsinki	64%
Copenhagen	91%
Oslo	93%
Aggregate Nordic	67%



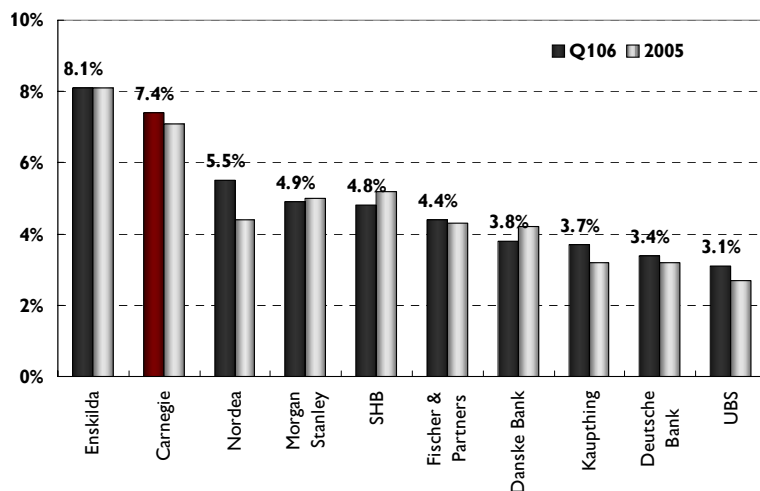
Turnover in the Nordic stock markets



Market position

Carnegie's share of the aggregate Nordic turnover was 7.4 per cent in the first quarter 2006, a slight improvement from 7.1 per cent for the full year 2005. Carnegie's market position among institutional clients has during the first quarter further improved, confirmed by client reviews as well as external rankings.

Share of Nordic stock market turnover (%)



Income

Securities' income in the first quarter was SEK 639 million, up 96 per cent from the first quarter 2005 and up 50 per cent from the previous quarter. Commission income was SEK 377 million, up 68 per cent Y/Y, in line with the turnover development in the Nordic stock markets. Net commission generated from non-Nordic clients in the first quarter increased slightly to 47 per cent of the total commission volume from institutional clients. ECM fees (income from Equity Capital Markets transactions) amounted to SEK 118 million during the first quarter, reflecting a number of successfully completed new share issues, secondary placings and IPOs.

Income from proprietary trading and market making increased by 71 per cent to SEK 139 million in the first quarter 2006 (SEK 82 million). About 5 per cent of the income was generated in the fixed income operations.

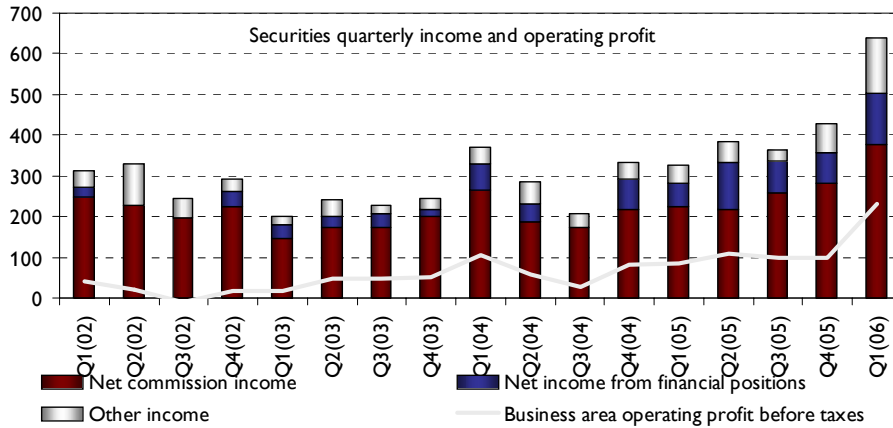


Expenses and profit before taxes

Total expenses before profit-share amounted to SEK 181 million in the first quarter 2006, up 11 per cent from the first quarter 2005. Profit before taxes in the first quarter 2006 was up 176 per cent Y/Y to SEK 232 million.

Quarterly development – Securities

The graph below shows the quarterly development of income and profit before taxes in business area Securities.





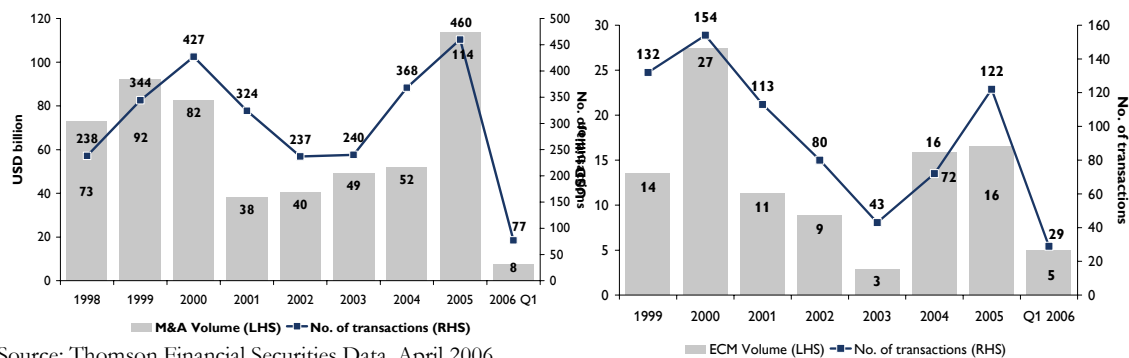
Investment Banking

(SEK million)	Jan - Mar 2006	Jan - Mar 2005	Chg.	Jan - Dec 2005
ECM fees	135	19	614%	137
Net income from financial positions	14	6	129%	40
Advisory fees	93	72	29%	556
Total income	241	97	149%	733
Personnel expenses	-50	-37	35%	-156
Other expenses	-28	-25	11%	-111
Total operating expenses excluding profit-share	-78	-62	26%	-267
Business area operating profit before profit-share	164	35	365%	467
Allocation to profit-share system	-81	-17	371%	-231
Total expenses	-158	-79	101%	-497
Business area profit before taxes	83	18	359%	236
Cost/income Ratio, %	66%	81%		68%
Number of employees, average	128	131		127
Number of employees, period-end	130	128		124

Market environment

The volume of announced of M&A transactions is highly variable over the quarters. Following on from the much improved M&A activity in 2005 with a transaction volume of USD 114 billion for the full year, the announced deal volume in the Nordic market in the first quarter 2006 dropped to USD 8 billion, which was approximately one third of the volume in the first quarter 2005.

The ECM volume in the first quarter was pretty strong, with a total of 29 transactions and a transaction value of USD 5 billion. The market continued to be particularly strong in Norway.



Source: Thomson Financial Securities Data, April 2006



Market position

Q1 2006		
Adviser	USD million	#
1. Carnegie	4,418	13
2. Enskilda	4,114	19
3. Pareto Securities	3,064	1
4. Fondsinans	3,064	1
5. Deutsche Bank	1,209	3
6. Citigroup	1,063	2
7. Rothschild	730	4
8. JP Morgan	665	2
9. ABG Sundal Collier	609	1
10. UBS	452	2
Total market with advisers	7,624	77
Total market w/o advisers	2,221	287
Total Market	9,845	364

Nordic Mergers & Acquisitions

Carnegie was number one in terms of volume, and number two in terms of number of transactions in the first quarter 2006 with a total of 13 transactions corresponding to a value of USD 4.4 billion. In the beginning of the second quarter, it was announced that Carnegie is advising Gambro's board of directors in connection with EQT/Investor's bid for Gambro, with a total a transaction value of USD 5 billion.

Nordic ECM transactions

In the Nordic Equity capital markets, Carnegie maintained its top position in the ECM league table during the first quarter 2006 with 12 transactions at a total value of USD 1.2 billion. Of the top 15 ECM transactions in the first quarter 2006, Carnegie had a role in 5, including the top three largest deals. Carnegie acted as (joint) global coordinator and bookrunner in 2 IPOs during the first quarter, Kapp-Ahl in Sweden and Arrow Seismic in Norway.

ECM

Q1 2006		
Adviser	USD million	#
1. Carnegie	1,226	12
2. Pareto Securities	889	5
3. Enskilda	886	9
4. DnB NOR	422	3
5. Deutsche Bank	420	2
6. Merrill Lynch	315	3
7. First Securities	167	1
8. Goldman Sachs	116	1
9. DKrW	115	1
9. Nordea	115	1
Total Market	4,948	29

IPO

Q1 2006		
Adviser	USD million	#
1. Enskilda	471	3
2. Carnegie	160	2
3. Goldman Sachs	116	1
4. Mandatum Pankki	65	1
5. Leede Financial Markets	0.3	1
Total Market	841	8

Source: Thomson Financial Securities Data, April 2006

Income

Income for the first quarter 2006 of SEK 241 million (SEK 97 million) increased by 149 per cent Y/Y and was only 16 per cent below the seasonally strong fourth quarter. Strong ECM activity was reflected in income and accounted for over half of total income for the quarter. Advisory fees, mainly generated in M&A-assignments, accounted for about 40 per cent of total income.

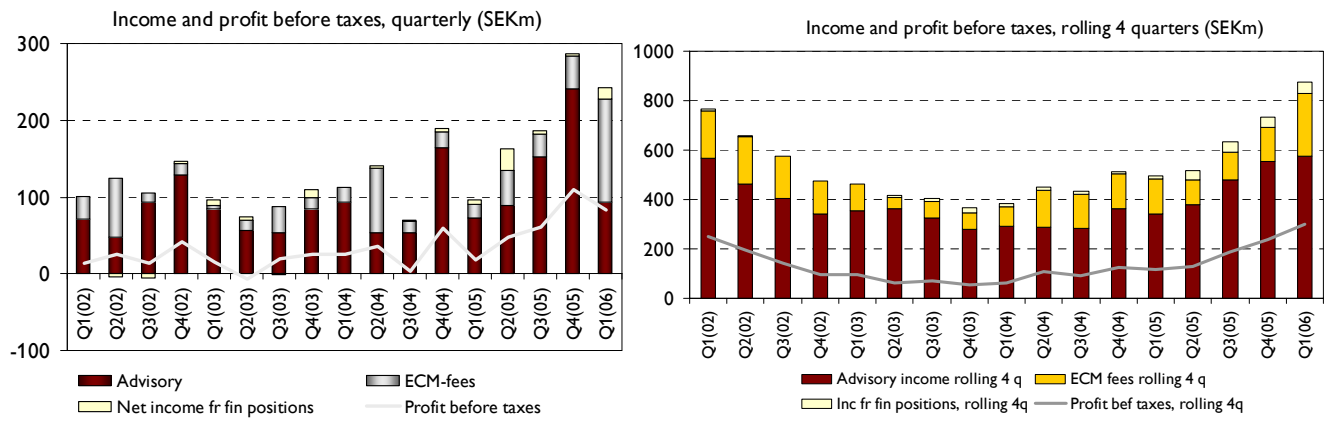
Expenses and profit before tax

Total expenses before profit-share in the first quarter 2006 were SEK 78 million, up 26 per cent Y/Y. The business area made a profit before taxes of SEK 83 million for the first quarter (SEK 18 million).



Quarterly development

The graphs below show the quarterly and the rolling 4-quarter development of income and profit before taxes for business area Investment Banking.





Asset Management

<i>(SEK million)</i>	<i>Jan - Mar 2006</i>	<i>Jan - Mar 2005</i>	<i>Chg.</i>	<i>Jan - Dec 2005</i>
Regular fees	131	93	41%	401
Performance fees	42	6		209
<i>Total fees from mutual funds</i>	<i>173</i>	<i>99</i>	<i>76%</i>	<i>610</i>
Regular fees	32	26	24%	103
Performance fees	1	0		59
<i>Total fees from discretionary fund management</i>	<i>32</i>	<i>26</i>	<i>26%</i>	<i>162</i>
<i>Advisory fees</i>	<i>6</i>	<i>2</i>	<i>241%</i>	<i>20</i>
<i>Total income</i>	<i>212</i>	<i>126</i>	<i>68%</i>	<i>791</i>
Personnel expenses	-45	-37	21%	-165
Other expenses	-39	-31	26%	-162
<i>Total operating expenses excluding profit-share</i>	<i>-85</i>	<i>-68</i>	<i>24%</i>	<i>-327</i>
<i>Business area operating profit before profit-share</i>	<i>127</i>	<i>57</i>	<i>122%</i>	<i>464</i>
Allocation to profit-share system	-63	-28	124%	-229
<i>Total expenses</i>	<i>-147</i>	<i>-96</i>	<i>53%</i>	<i>-556</i>
<i>Business area profit before taxes</i>	<i>64</i>	<i>29</i>	<i>119%</i>	<i>235</i>
Cost/income ratio, %	70%	77%		70%
Period-end assets under management (SEK billion)	101	65		92
- whereof mutual funds	53	32		48
- whereof discretionary fund management	48	33		44
Number of employees, average	135	136		135
Number of employees, period-end	135	135		133

Market environment

The positive climate on the Nordic and European equity markets continued in the first quarter of 2006, and the demand for specialised asset managers producing active return continued.

Clients and products

The product range includes discretionary asset management services, mutual fund products and managed and structured portfolios ("fund of funds"). The product range comprises products within three asset classes - equities, fixed income and real estate. At 31 March 2006 about 80 per cent of the total assets under management were invested into equity-oriented products. During the quarter, sales efforts versus international clients as well as towards Nordic institutions has resulted in net inflows of SEK 5 billion.

Rating and product performance

The overall performance in Carnegie's investment products continued to be strong the beginning of 2006. During the quarter, performance for over 90 per cent of AUM in equity funds was better than the relevant benchmark indices. Carnegie Biotechnology was very successful during the quarter and outperformed its benchmark index by 14 percentage points. In terms of external rating, over 95 per cent of Carnegie's total assets under management in rated equity funds held 4- or 5-star ratings.²

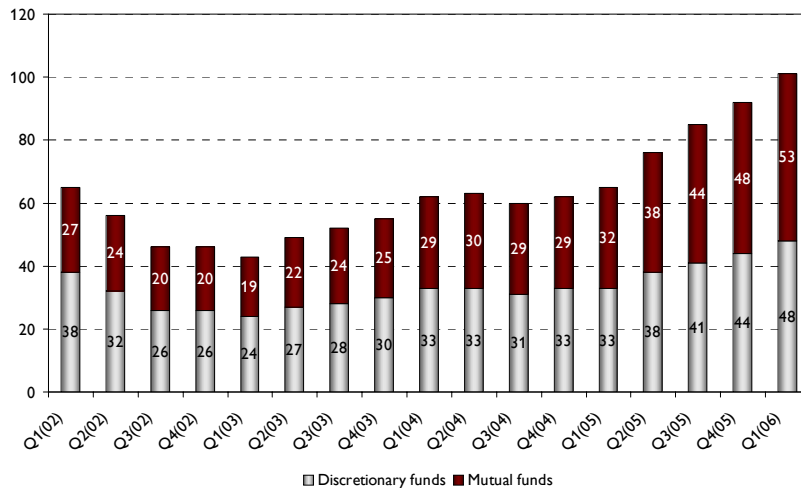
² Source: Morningstar, Fondmarknaden and W-rating, April 2006. Five stars is the maximum ranking.



Assets under management

Assets under management (AUM) include discretionary managed portfolios and mutual funds. During the first quarter, AUM grew by close to 10 per cent, to SEK 101 billion at 31 March 2006. The total increase of SEK 9 billion from year-end, reflected an inflow of SEK 5 billion and an increase of SEK 4 billion in asset values. About SEK 6 billion of AUM represents advisory mandates relating to discretionary assignments for Private Banking clients.

Quarterly development of AUM (SEKbn)



Income

Total income in Asset Management in the first quarter 2006 was SEK 212 million (SEK 126 million), an increase of 68 per cent, mainly reflecting the Y/Y increase in assets under management of 55 per cent. Income from **mutual fund products** was SEK 173 million (SEK 99 million). Mutual funds are distributed through external networks, and generate a net fee after distribution costs. Income from **discretionary mandates** was SEK 32 million (SEK 26 million).

About 24 per cent of the total assets under management (discretionary mandates as well as mutual funds) have a **performance-related fee structure**. The performance fees are realised and accounted for partly at year-end and partly on a quarterly basis, according to the terms of the client agreements. In the first quarter 2006, total performance fees amounted to SEK 43 million. Income from mutual fund products included SEK 42 million (SEK 6 million) in performance fees, while discretionary mandates generated SEK 1 million (-) in performance fees.

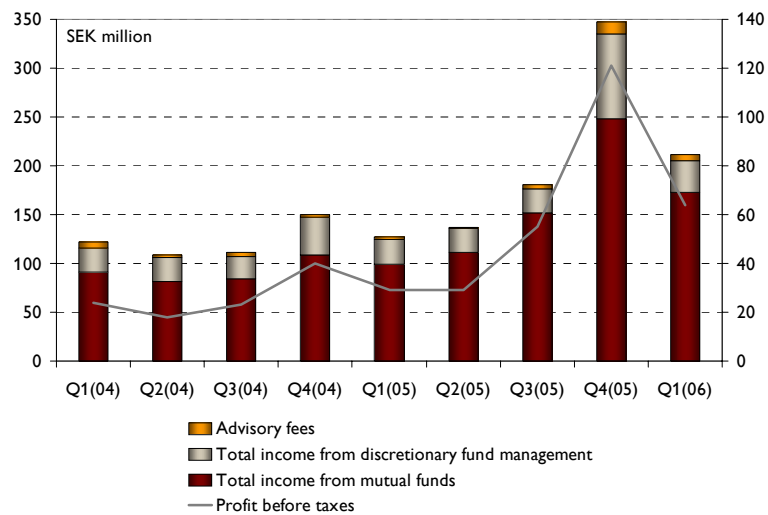
Expenses and profit before taxes

Total expenses before profit-share of SEK 85 million increased by 24 per cent Y/Y, and the profit before taxes improved by 119 per cent Y/Y to SEK 64 million.



Quarterly development

The graph below presents the quarterly development in 2004-2006 of the Asset Management operations. The financial information for 2004 is based on pro forma calculations.





Private Banking

(SEK million)	Jan - Mar 2006	Jan - Mar 2005	Chg.	Jan - Dec 2005
<i>Total income</i>	147	107	37%	486
Personnel expenses	-48	-43	13%	-174
Other expenses	-37	-39	-4%	-177
Net provisions for credit losses	0	0		0
<i>Total operating expenses excluding profit-share</i>	-85	-82	4%	-350
<i>Business area operating profit before profit-share</i>	61	25	145%	136
Allocation to profit-share system	-30	-12		-67
<i>Total expenses</i>	-116	-94	23%	-417
<i>Business area profit before taxes</i>	31	13	142%	69
Cost/income ratio, %	79%	88%		86%
Client volume (SEK billion)	57	36		54
Number of employees, average	174	169		171
Number of employees, period-end	176	169		168

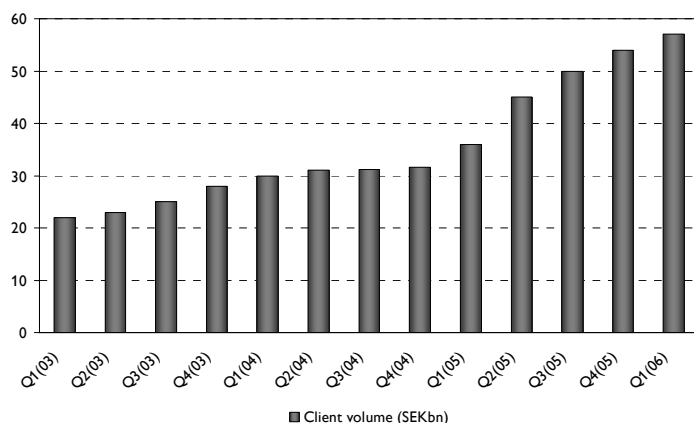
Market position

The Nordic and European equity markets developed positively during the period and focus on private banking activities continued, both in terms of increased interest from clients and in terms of marketing activities from providers of private banking services. Private Banking offers a high-quality, personal and dedicated service to high-net-worth individuals, foundations and family-owned companies in the Nordic region, through the operations in Sweden and Denmark. Internationally, Carnegie provides a full range of private banking services to Nordic expatriates living abroad, through Banque Carnegie Luxembourg, and includes operations in London and Geneva.

Client volume

The Private Banking client volume represents the gross value of all private client accounts, including discretionary and advisory accounts, as well as all types of securities, mutual funds, deposits and lending. The Private Banking client volume amounted to SEK 57 billion at 31 March 2006, up SEK 3 billion from the beginning of the year, including increasing asset values, and a good inflow from new clients as well as increased share of existing clients' total assets. About SEK 6 billion of the client volume relates to discretionary assignments for which Asset Management have advisory mandates, and is also included in the AUM presented by business area Asset Management.

Client volume (SEK billion)





Income

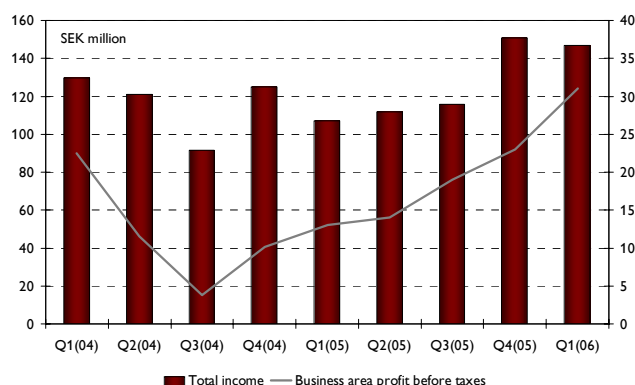
Private Banking income is generated as fees from discretionary asset management and mutual fund management, brokerage commission from advisory accounts, sales provision from distribution of Carnegie's and external mutual funds, interest net from lending and deposits and advisory fees from legal and insurance advice. Total income in the first quarter 2006 was SEK 147 million (SEK 107 million), of which the main part was generated from advisory accounts and fees from discretionary asset management and mutual fund management.

Expenses and profit before taxes

Total expenses before profit-share was SEK 85 million, up 4 per cent Y/Y. The average number of employees was up slightly to 174. Profit before taxes in the first quarter 2006 was up by 142 per cent Y/Y to SEK 31 million.

Quarterly development

The graph below presents quarterly income and profit before taxes for Private Banking for 2004-2006. The financial information for 2004 is based on a pro forma calculation and includes income and result from Carnegie's pension advisory operation, which was transferred to Max Matthiessen during the first quarter 2005.



D. Carnegie & Co AB (publ)

Stockholm, 26 April 2006

Stig Vilhelmson
Chief Executive Officer



Segmental reporting

<i>Segmental reporting</i> <i>(SEK million)</i>	<i>Total</i>		<i>Securities</i>		<i>Investment Banking</i>		<i>Asset Management</i>		<i>Private Banking</i>	
	<i>Q1(06)</i>	<i>Q1(05)</i>	<i>Q1(06)</i>	<i>Q1(05)</i>	<i>Q1(06)</i>	<i>Q1(05)</i>	<i>Q1(06)</i>	<i>Q1(05)</i>	<i>Q1(06)</i>	<i>Q1(05)</i>
<i>Income statement</i>										
<i>Total income</i>	1,239	656	639	327	241	97	212	126	147	107
Personnel expenses	-243	-205	-99	-88	-50	-37	-45	-37	-48	-43
Other expenses	-186	-170	-82	-75	-28	-25	-39	-31	-37	-39
Net provisions for credit losses	0	0	0	0	-	-	0	0	0	0
<i>Total operating expenses excluding profit-s</i>	-428	-374	-181	-162	-78	-62	-85	-68	-85	-82
<i>Operating profit before profit-share</i>	811	282	458	164	164	35	127	57	61	25
Allocation to profit-share system	-400	-137	-226	-80	-81	-17	-63	-28	-30	-12
<i>Total expenses</i>	-828	-512	-407	-242	-158	-79	-147	-96	-116	-94
<i>Profit before taxes</i>	411	145	232	84	83	18	64	29	31	13
Taxes	-123	-45								
<i>Net profit</i>	287	100								

Carnegie presents segmental reporting in accordance with IAS 14. Carnegie has defined the existing business areas as primary segments. Information in the interim report is presented as above. Information regarding assets, investments in associates, liabilities, investments and depreciations related to the primary segments is presented the annual report. In addition to this, information for the secondary segments, defined as geographical area, regarding income, assets and investments, is also presented in the annual report.



Statutory consolidated income statement
(SEK millions)

	<i>Jan - Mar 2006</i>	<i>Jan - Mar 2005</i>	<i>Jan - Dec 2005</i>
Commission income	1,092	573	3,122
Commission expenses	-44	-33	-163
<i>Net Commission income</i>	<i>1,048</i>	<i>540</i>	<i>2,959</i>
Interest income	114	89	364
Interest expenses	-86	-67	-288
<i>Net interest income</i>	<i>28</i>	<i>21</i>	<i>76</i>
Dividends received	0	0	2
Net profit from financial transactions	162	96	478
<i>Total income</i>	<i>1,239</i>	<i>656</i>	<i>3,515</i>
General administrative expenses	-812	-501	-2,523
Depreciation of tangible and amortisation of intangible fixed assets	-16	-11	-55
<i>Total expenses</i>	<i>-829</i>	<i>-512</i>	<i>-2,579</i>
<i>Operating profit before provisions for credit losses</i>	<i>410</i>	<i>145</i>	<i>936</i>
Provisions for credit losses, net	0	0	-5
Write-down of financial fixed assets	-	-	-1
<i>Operating profit</i>	<i>411</i>	<i>145</i>	<i>931</i>
Result from associated companies	-	0	0
<i>Profit before taxes</i>	<i>411</i>	<i>145</i>	<i>931</i>
Taxes	-123	-45	-264
<i>Net profit</i>	<i>287</i>	<i>100</i>	<i>667</i>
Earnings per share (SEK)	4.18	1.50	9.98
Earnings per share, fully diluted (SEK)	4.10	1.49	9.68
Average number of shares	68,821,400	66,701,600	66,799,944
Number of shares related to outstanding warrants	2,461,900	7,200,000	3,771,700
Total number of shares, incl effect of issued warrants	70,140,288	67,164,240	68,856,137



*Statements of changes in financial position
(SEK millions)*

	<i>Group</i>		
	<i>Jan - Mar 2006</i>	<i>Jan - Mar 2005</i>	<i>Jan - Dec 2005</i>
<i>Current operations</i>			
Cash flow from operations before changes in working capital	304	111	675
Changes in working capital	4,619	2,351	5,253
<i>Cash flow from current operations</i>	<i>4,923</i>	<i>2,462</i>	<i>5,928</i>
Cash flow from investment activities	-6	-13	-80
Change in long-term liabilities	-	-	486
Exercised warrants	94	-	74
Distributed dividend	-634	-396	-396
<i>Cash flow from financing activities</i>	<i>-540</i>	<i>-396</i>	<i>164</i>
<i>Cash flow for the period</i>	<i>4,337</i>	<i>2,053</i>	<i>6,013</i>
Liquid funds at the beginning of the year	9,244	3,088	3,088
Exchange differences in liquid funds	37	45	143
<i>Liquid funds at the end of the period</i>	<i>13,658</i>	<i>5,187</i>	<i>9,244</i>



*Statutory consolidated balance sheet
(SEK millions)*

	<i>Mar 31 2006</i>	<i>Mar 31 2005</i>	<i>Dec 31 2005</i>
<i>Assets</i>			
Cash and bank deposits in central banks	764	310	316
Loan to credit institutions	13,041	4,992	8,968
Loans to general public	5,662	4,686	4,428
Bonds and other interest bearing securities	1,275	1,047	1,828
Shares and participations	18,023	4,623	7,096
Shares and participations in associated companies	-	5	-
Intangible fixed assets	75	45	85
Tangible fixed assets	65	74	66
Other assets	4,000	4,619	7,619
Prepaid expenses and accrued income	428	1,169	454
<i>Total assets</i>	<i>43,333</i>	<i>21,568</i>	<i>30,859</i>

Liabilities and shareholders' equity

Liabilities to credit institutions	14,080	6,778	8,830
Deposits and borrowing from general public	8,240	6,922	6,893
Other liabilities	18,228	5,955	11,708
Accrued expenses and prepaid income	828	873	1,222
Subordinated loan	485	-	486
Shareholders' equity	1,472	1,041	1,721
<i>Total liabilities and shareholders' equity</i>	<i>43,333</i>	<i>21,568</i>	<i>30,859</i>

*Changes in shareholders' equity
(SEK millions)*

	<i>Mar 31 2006</i>	<i>Mar 31 2005</i>	<i>Dec 31 2005</i>
Shareholders' equity - opening balance	1,721	1,330	1,330
Dividend (Q1)	-634	-396	-396
Translation differences	5	6	49
Write-down of Goodwill	-	-	-4
Exercised warrants	94	-	74
Net profit for the period	287	100	667
<i>Shareholders' equity - closing balance</i>	<i>1,472</i>	<i>1,041</i>	<i>1,721</i>



Ownership structure

Larger shareholders, 31 March 2006	No of shares	Votes and capital, %
Landsbanki Islands	13 649 080	19.8%
Carnegie employees ¹	7 000 000	about 10%
Robur funds	3 014 790	4.4%
SHB	2 119 910	3.1%
Franklin-Templeton Funds	2 074 041	3.0%
SHB/SPP Funds & Life insurance	1 785 386	2.6%
Canadian Pension Funds	1 737 750	2.5%
Didner & Gerge funds	1 570 000	2.3%
SEB	1 517 811	2.2%
Carnegie Personal AB (net) ²	1 422 761	2.1%
Nordea funds	1 186 900	1.7%
Other shareholders	31 962 071	46.3%
Total	69 039 700	100.0%

1) Shares held by employees are individual holdings. Group management: Lars Bjerrek, Mats Bremberg, Jim Cirenza, Niklas Ekvall, Matti Kinnunen, Mats-Olof Ljungkvist, and Stig Vilhelmson represents a total of 1,440,000 shares, corresponding to 2.1% of the shares outstanding, included in the total employee shareholding.

2) The number of shares reflects the net position held by Carnegie Personal AB, a company owned by the foundation Stiftelsen D. Carnegie & Co. Carnegie Personal AB was established to administer the previous lock-up and lock-in agreements related to the transfer-restricted shares held by employees.

Employee shareholding

Total shareholding by employees is estimated at 10 per cent of the total number of shares outstanding at 31 March 2006. Employee trading in the Carnegie share is only allowed during open periods, starting the day after the announcement of an interim report and closing the day before the first day of the reporting month.

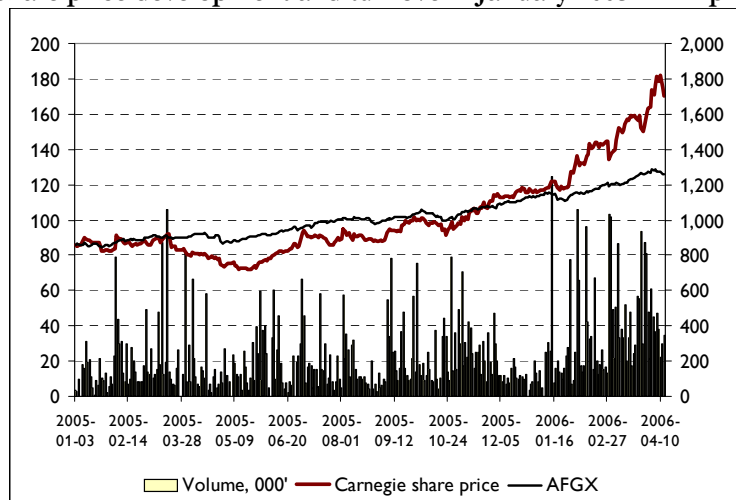
Remaining open periods 2006, all dates inclusive:

27 April – 31 May

14 July – 31 August

19 October – 30 November

Share price development and turnover 1 January 2005 – 12 April 2006



Share information (SEK)

Market value 31 March 2006 (SEKm)	11,323
Share price 31 March 2006	164
Share price 31 Dec. 2005	117
Share price at the IPO	115
Year high 2006	178.5
Year low 2006	115.5
All time high	178.5
All time high date	7 April 2006

Listing: Stockholmsbörsen (SWE), List O

Code: SE0000798829

Listed since: 2001-06-01

Trading lot: 100 shares

Symbol: CAR



Warrant programmes

Warrant programme	No. of warrants	Of which exercised as per 31 Mar 2006	Exercise price ¹ (SEK)	Subscription period	No. of warrants outstanding at 31 Mar 2006	Increased equity if fully subscribed (SEKm)	Corresponding share of capital
2003/2006	2,400,000	2,338,100	72	1 Apr 2004-28 Apr 2006	61,900	173	3.6%
2004/2007	2,400,000	0	101	1 Apr 2005-27 Apr 2007	2,400,000	242	3.6%

¹ The exercise prices have been set to 120% of the average share price the week after publication of the year-end reports.

At 31 March 2006 there were two warrant programmes outstanding, distributed to Carnegie employees in 2003 and 2004. Under the 2003/2006 programme 2,338,100 shares has been subscribed for at the exercise price of SEK 72, which has increased the total equity by SEK 168.3 million in total and the total number of shares outstanding was 69,039,700.

The aggregate dilution effect in terms of profit per share is calculated in accordance with IAS 33. The net profit is divided by the total number of shares including the number of shares to be issued corresponding to the calculated net present value (at current share price) of issued warrants. The aggregate dilution effect in terms of profit per share of the remaining issued warrants is 2%, based on the share price at 31 March 2006 (SEK 164).